



# 2014 Agricultural Enterprise Area Program (AEA) Report

Wisconsin Department of Agriculture,  
Trade and Consumer Protection

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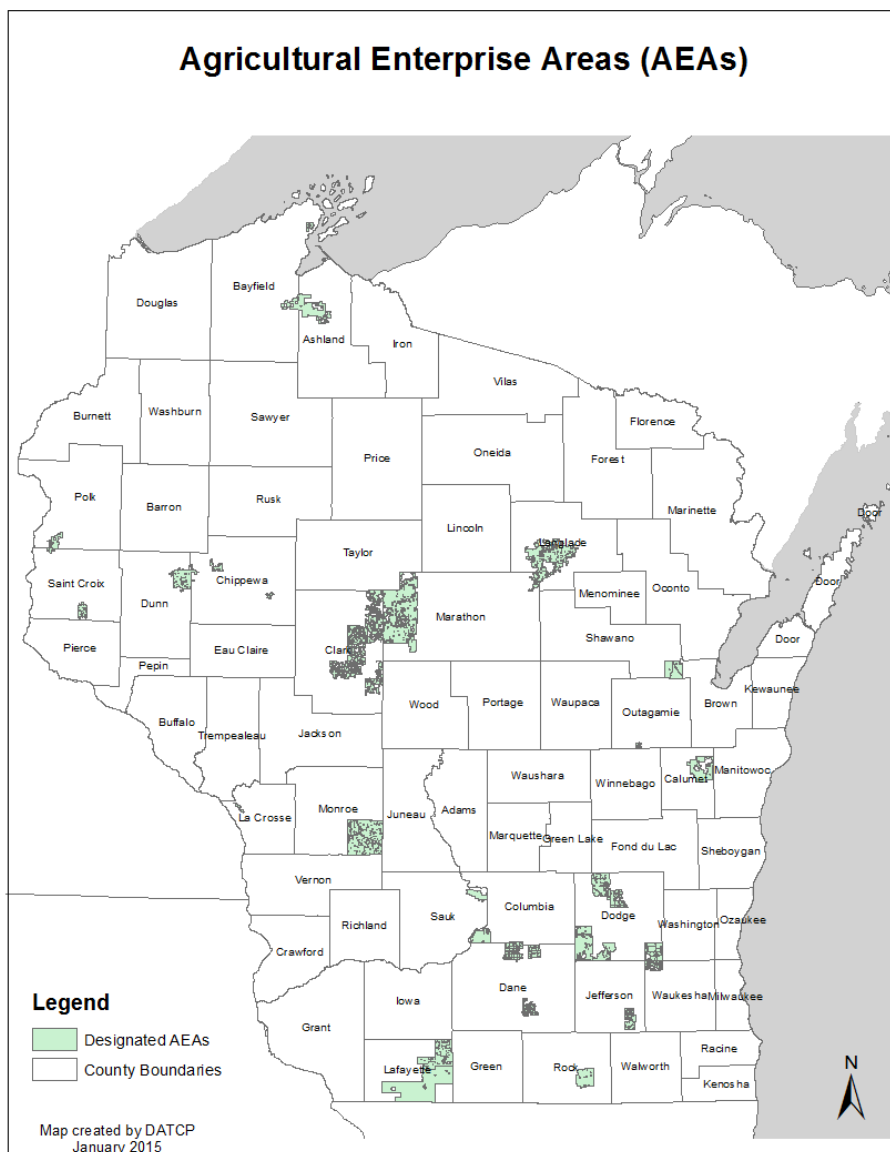
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## Program Status

The Wisconsin Department of Agriculture, Trade and Consumer Protection (the department) designates an agricultural enterprise area (AEA) under Chapter 91 of Wisconsin Statutes in response to a petition submitted jointly by landowners and local governments. AEAs are developed through a public process that typically involves outreach to local residents and the town and county governments. Since the program's inception in 2009, 29 AEAs have been designated (Map 1; Appendix A). These 29 AEAs cover approximately 925,000 acres in portions of 22 counties and 85 towns. The petitions requesting the designation have been signed by over 1,200 landowners. Agricultural production within the 29 designated areas is representative of the state's diverse agricultural industry and includes row crops, dairy products, fruit, livestock, specialty vegetables, and organic products. The AEAs range in size from 1,400 acres to 225,500 acres, although most of the areas cover between 10,000 and 40,000 acres.

The program has undergone several changes since its creation 5 years ago. One statutory change in 2012 established a simplified process by which the AEAs are designated, allowing the designation to be made through an order issued by the department rather than through an administrative rule process. A second change, in 2014, increased the state's authority to designate agricultural enterprise areas to 2 million acres. The program has also experienced small changes that are a result of an evolution of the petition process. Many of these changes reflect the efforts made by the local communities

when developing a petition requesting designation as an AEA. For example, as part of petition development, local communities now seek a greater number of petitioner signature pages and solicit letters of support from other stakeholders, including ag-related businesses, local non-profit groups, legislators, neighboring jurisdictions, and non-farm landowners.



### ***Farmland preservation agreements***

Once an AEA is designated, the designation establishes landowner eligibility to enter into a farmland preservation agreement. By voluntarily signing this agreement, landowners agree to keep their land in agricultural use for 15 years and to meet soil and water conservation requirements. In exchange, the landowner is eligible to claim the farmland preservation income tax credit, which is \$5 per acre or \$10 per acre if the land is also covered by farmland preservation zoning.

The farmland preservation agreement directs state investment to areas with a serious commitment to farmland preservation and soil and water conservation in the form of the farmland preservation tax credit. These agreements also enable the community to show its commitment to agriculture, which can foster increased confidence and encourage investments in other types of agricultural enterprises in the area.

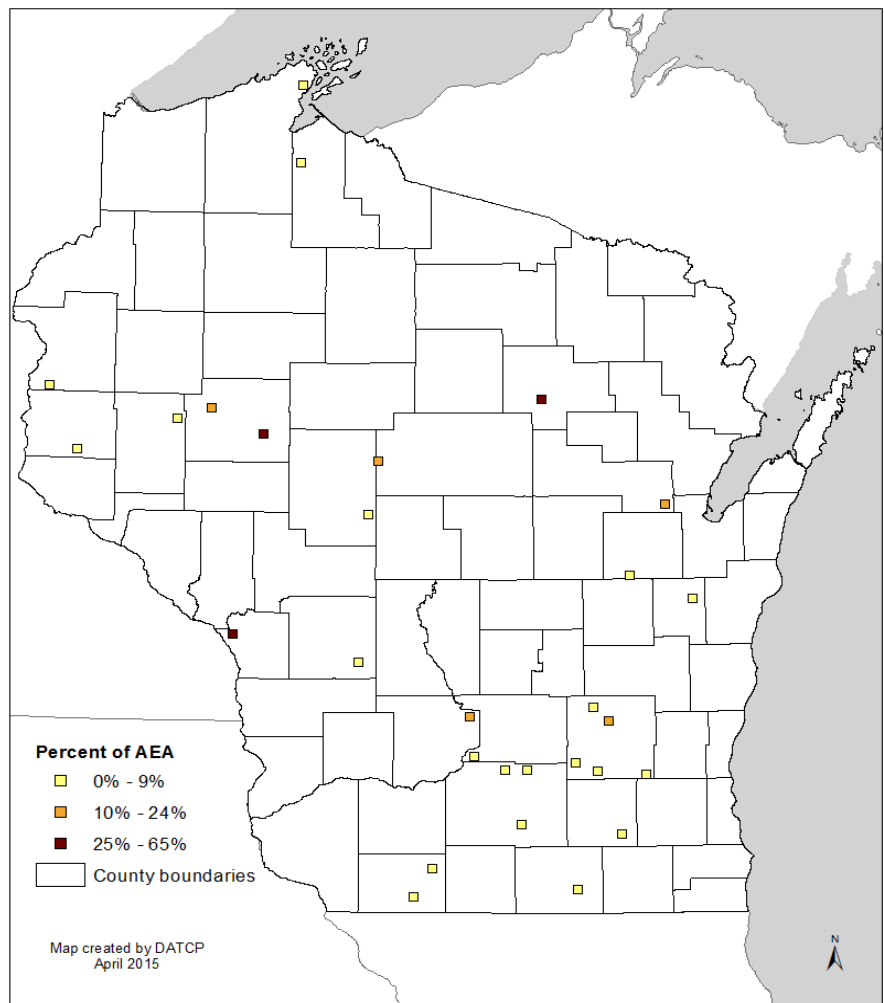
To date, 443 agreements have been signed on about 97,200 acres, or 11% of the 925,000 designated acres eligible for an agreement (Map 2, Appendix A). Applications for agreements on another 8,000 acres have been received since January 1, 2015.

### ***Farmland preservation zoning***

Adoption of a farmland preservation zoning ordinance is another way to achieve farmland preservation goals. Whether a local town or county

adopts a farmland preservation zoning ordinance is independent of AEA designation; however, having both the AEA designation and certified farmland preservation zoning has other benefits. A farmland preservation ordinance lends support to farmland preservation goals within an AEA by limiting the conversion of agricultural land to non-farm uses in a designated farmland preservation district. Additionally, landowners with a farmland preservation agreement and in a farmland preservation zoning district can claim a farmland preservation tax credit worth \$10 per acre.

**Map 2: Percent of AEA under a farmland preservation agreement**



Currently, 48 of the 85 towns within a designated AEA are covered by a certified farmland preservation zoning ordinance. These ordinances cover just over 560,000 acres of the 925,000 designated acres, or about 61% (Map 3, Appendix A).

### Program Activities

Program activities in 2014 focused on program outreach to the individual AEAs. The department designed and created files for each individual AEA for use in making promotional materials and for creating signs for posting on roadways or at an individual farm. Monthly “Item of Interest” emails and webinars provided information about a diverse range of topics to landowners and others within the area. One webinar offered information on farm transition planning, while a second webinar provided information about the benefits and challenges of

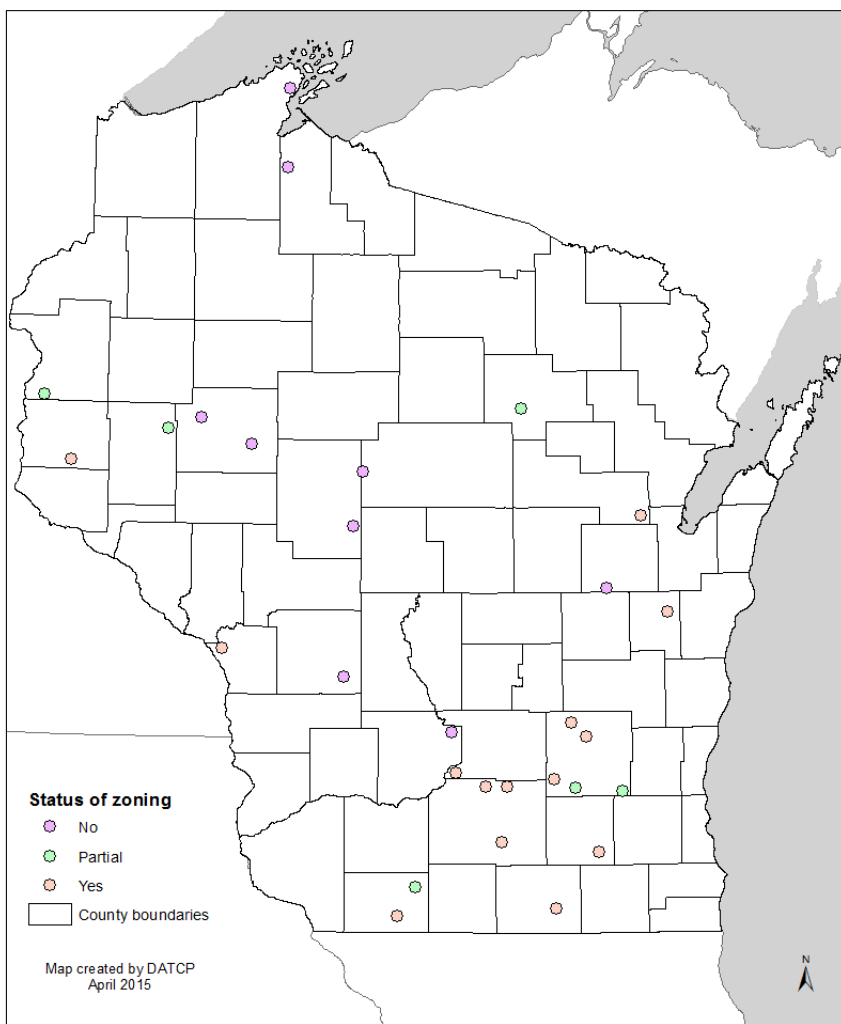
establishing a transfer of development rights program within a local jurisdiction.

The most significant program activity took place from October 2014 through March 2015. Program staff met in person with representatives of nearly all 29 of the AEAs. Attendance at meetings varied, and included staff from county conservation, planning, zoning and corporation counsel departments; town officials; landowner petitioners; UWEX faculty; representatives of county economic development organizations; and land trust staff. The goals of the meetings were to:

- Revisit local and state goals for the program
- Discuss farmland preservation agreement successes and challenges
- Identify local needs to further support the AEA

These AEA meetings enabled the department to have in-depth conversations with the AEA representatives about program challenges, and about opportunities to further local efforts to support farmers and the agricultural community.

**Map 3: Status of farmland preservation zoning in the AEAs**



Opportunities to improve the AEA program identified at the meetings include farmland preservation agreements, program development, program outreach and awareness, and program expansion.

*Farmland preservation agreements.* Although there has been some success getting agreements in the AEAs, participation is still much lower than originally anticipated when the AEA program was created. Developing strategies to address the roadblocks identified below could lead to an increase in agreements:

- Lack of awareness and understanding of the program and opportunity to sign agreement
- Credits are too viewed as insufficient
- Conservation compliance requirements are seen as too daunting and/or expensive
- Term of the agreement are viewed as too long and landowners hesitate to make decisions for future generations
- Landowners who rent their land to a farm operator may only claim the credit if the operator meets soil and water conservation standards

*Program development.* Another opportunity to strengthen the AEA is to develop additional incentives for communities that have successfully petitioned for AEA designation. Establishing program enhancements would enable the AEA communities to achieve locally identified farmland preservation and economic development goals. Program enhancements could include;

- Access to technical assistance to support and develop economic development initiatives
- Support for new agricultural businesses or operators to enable them to grow or diversify, and connect with resources such as land, producers or workforce
- Dedicated funding sources (grants or loans) to achieve goals related to farmland preservation, business and economic development, conservation compliance, and agreement sign-up
- Infrastructure improvements or policy changes, and/or funding for infrastructure needs such as for roads or manure management solutions
- Enhanced land use control, such as annexation protection, zoning flexibility, and restrictions on non-metallic mining and non-farm development

*Program outreach and awareness.* Those representing the AEAs also recognized the need for increased awareness of the designation within their community. Opportunities to increase awareness of the AEAs include the development of AEA-specific brochures, posting road signs at the boundary of the area or on farms covered by an agreement, and the development of websites and other promotional pieces.

*Program expansion.* The department has the authority to designate up to 2 million acres as a agricultural enterprise area. Currently, we have about 925,000 acres designated as an AEA. Eleven of the 29 AEAs

expressed an interest in submitting a future petition to expand their AEAs. In addition, new areas continue to contact the department with the intention of pursuing a future designation. This reflects a continuing interest in the program. If the current level of interest remains steady, the state will likely reach the 2 million acre cap by 2018 or 2019.

### ***Opportunities beyond AEAs***

Although the recent AEA meetings were intended to discuss issues related to the AEA program, the conversation often identified other critical issues related to farmland preservation efforts in the state. Select themes from these conversations are identified below.

- Confusion about program requirements
- Challenges achieving soil and water conservation goals
- Impact of demographic changes of Wisconsin and changes in the agricultural industry
- Difficulties facing new and beginning farmers that impede entry into the industry
- Lack of a “next generation” to take on the farm business
- Lack of appropriate incentives to encourage desired outcomes
- No mechanism to allow the program to support itself
- Interest in program flexibility
- Program perception that the program primarily benefits large, permitted farming operations

Although a significant amount of work has already been done, it is clear that more work is needed to refine our efforts to protect our state’s valuable farmland, safeguard our agricultural economy, and preserve our agricultural heritage. Moving forward, it is imperative to cultivate opportunities to achieve these goals through traditional and non-traditional means. One starting point is to review the work of the Working Lands Initiative Steering Committee from 2005 and the “Future of Farming and Rural Life in Wisconsin” report compiled in 2007 by Wisconsin Academy of Sciences, Arts and Letters.

Please contact Coreen Fallat for more information about the Agricultural Enterprise Area Program.

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